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C O N F I D E N T I A L BAGHDAD 000140

SIPDIS

E.O. 12958: DECL: 01/19/2020
TAGS: [PREL](#) [ETRD](#) [ETTC](#) [EPET](#) [IZ](#) [IR](#) [TU](#)
SUBJECT: RRT ERBIL: RECENT KRG OUTREACH TO TEHRAN, ANKARA
AND BAGHDAD

REF: A. 09 BAGHDAD 3368
[1](#)B. 09 BAGHDAD 3364

Classified By: RRT Erbil Team Leader Andrew Snow for reasons 1.4 (b) and (d)

[1](#)1. (U) This is an RRT Erbil cable.

[1](#)2. (C) Summary: In recent meetings with Senior Advisor for Northern Iraq (SANI) and RRT Team Leader, KRG officials gave readouts of their recent contacts with Tehran, Ankara, and Baghdad. KRG PM Barham Salih and others categorically denied press reports that the KRG had agreed on visa-free entry for Iranians. His recent visit to Iran focused primarily on facilitation of trade and cultural ties, including a possible Free Trade Zone, but no agreement was reached. In general, KRG leaders tell us that they fear and distrust Iranians, but cannot afford to push them away. As elsewhere in Iraq, the Iranians have been actively courting political parties in Kurdistan. With Ankara, there is also agreement in principle on a Free Trade Zone at the border, but many details remain to be worked out. Two KRG officials expressed satisfaction with Interior Minister Atalay's December visit to Erbil, but gave no hint of KRG readiness to take new steps against the PKK. In an overview of his December trip to Baghdad, Saleh claimed he would soon make a proposal on oil issues to Maliki that Maliki could sell to the Iraqi people. Salih asked for Embassy engagement on this, but gave no specifics. End summary.

TEHRAN

[1](#)3. (C) Salih said his recent trip to Iran was mostly about atmospherics and maintaining neighborly relations. He went to Tehran in response to an Iranian invitation linked to Salih's assumption of the KRG prime ministership. Among other Iranian officials, Salih met with FM Mottaki and Vice President Rahimi, an Iranian Kurd who spoke Kurdish in an official meeting and who may pay a return visit to the Iraqi Kurdistan Region (IKR). Salih, KRG Director of the Office for External Relations Falah Mustafa, and PUK External Relations Director Sadi Pire all separately denied press reports that the KRG had agreed to visa-free entry for Iranians. Salih explained that Iranians currently can get visas at the border, whereas Iraqis must obtain visas from the Iranian consulate. The KRG is therefore seeking a reciprocal arrangement by which Iraqis may secure visas at the border. Salih said that the possibility of a free trade zone at the point of entry was also discussed. He said two-way trade is important for the IKR's economy, noting that Iraq-Iran trade is on the order of \$4 to \$5 billion. (Note: The Iranian government cites similar bilateral trade figures, and may be the source of Salih's information on this. End note.) Separately, KRG Minister of Trade Sinan Chalabi told RRT Team Leader that there was discussion with the Iranians of a MOU, but that nothing had been finalized. Chalabi

echoed other contacts in complaining about the Iranians flooding the IKR market with cheap, low-quality goods, saying he suspected the Iranians were dumping. (Note: Provincial officials from other areas of Iraq also complain of Iranian dumping of low-quality products on the Iraqi market. End note.)

¶4. (C) Salih said he raised the al-Fakkah oil field incident. Although Mottaki blamed Iraq, Salih sensed Mottaki was embarrassed about it. Salih said the Iranians did not mention the U.S. in the context of the al-Fakkah issue. Salih said the Iranians are seized with the Shi'a political groups in Iraq and not happy with Maliki over his departure from the Qin Iraq and not happy with Maliki over his departure from the UIA. Sadi Pire said another topic the KRG delegation raised was Iranian bombardment of the IKR-Iran border region, targeting PJAK. Sadi Pire noted that the Iranians thought the U.S. had increased its presence in the border region, probably mistaking the recent rotation of U.S. units as an augmentation.

¶5. (C) More broadly, KRG officials and politicians have used recent meetings to reiterate their wariness of Iran. Falah Mustafa told RRT Team Leader he has a special section of his Department focused only on the Iranians and does not allow Iranian diplomats in Erbil to travel unaccompanied in Kurdistan. Falah said he got the Ambassador-rank GOI MFA Consular Affairs Director General to come to Erbil to pointedly tell the Iranian Consul that the Iranian diplomats needed to be on diplomatic passports with diplomatic visas from Baghdad.

¶6. (C) Kurdistan Islamic Union Politburo Director Hadi Ali told SANI that, "No one can be the enemy of Iran, because

Iran is here, both in Kurdistan and the rest of Iraq." Hadi Ali said the Iranians deal with all political parties and have a natural affinity for Islamist parties despite reservations about the fact that Kurdish Islamists are Sunni. He complained that they call him "every day," so often that he has had to dodge their calls. Ali said the Iranians fear the upcoming Iraqi election, believing "incredibly" that the U.S. is supporting "Ba'athists and Saleh al-Mutlaq." Hadi Ali said he noticed a striking difference in Iran between his visit last spring and in December. In December, he found Iran far more tense than in the past, with people openly criticizing the government. He further said that, while the government controls all of the institutions in Iran, there is now internal tension even within those institutions.

ANKARA

¶7. (C) Both KRG Minister of Interior Karim Sinjari and Falah Mustafa were predictably enthusiastic - but vague - about GOT Interior Minister Beshir Atalay's December visit to Erbil. Both denied that Atalay had pressed President Barzani to take more direct action against the PKK. Sinjari repeated the KRG's mantra that the KRG had told Atalay they believed there was no military solution to solve Turkey's Kurdish issues. Sinjari said he had given Atalay a driving tour of Erbil, noting that virtually all of Erbil's new buildings were built by Turkish companies. Falah said he expected the new Turkish consulate in Erbil to open in the next two to three months, but the KRG does not yet know who will be the consul.

¶8. (C) KRG Minister of Trade and Industry Sinan Chalabi, an ethnic Turkoman with a number of family members in Ankara, said he would be going to Ankara soon to continue work on the GOT-KRG agreement in principle to establish a Free Trade Zone at the border. When asked whether IKR companies would gain duty-free access to Turkey, Chalabi said it was not yet clear, with many details to be worked out.

BAGHDAD

¶9. (C) When asked about his December trip to Baghdad, Salih provided few details. Regarding his efforts to break the deadlock with the GOI on oil issues, particularly the IKR,s two pre-2005 producing fields, Salih said he was on the verge of making a proposal to Maliki "that he could sell to the Iraqi people and be proud of." Salih asked for the U.S. Embassy to be engaged on the issue, but offered no further specifics.

¶10. (C) Salih,s visit appears not to have been fully coordinated with the KRG,s ministries. The German Consul in Erbil told Team Leader that Deputy PM Azad Barwariy (KDP) said that Salih,s visit was not coordinated with the ministries or even with Barwary himself. Barwary told SANI separately that he would have advised Salih to delay the visit because of the al-Fakkah oil field issue.

COMMENT

¶11. (C) In general, KRG officials appear to view Iran as an influential and intimidating neighboring power that the KRG cannot afford to ignore KDP officials, in particular, have warned American interlocutors about nefarious Iranian activities and influence in Iraq, usually coupled with a sales pitch on the need for close U.S.-KRG cooperation to counter such influence. Whereas former PM Nechirvan Barzani was intently focused on Turkey, he largely ignored Iran. Barham Salih, perhaps reflecting the PUK,s more extensive historical relationships with Iran, had no problem accepting the Iranians, invitation to Tehran so early in his two-year term as KRG PM, stressing friendlier KRG-Iran ties. While Salih might like to boost and improve management of trade with Tehran, KRG wariness of Iran remains high.

HILL